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**IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

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**XIONGEN JIAO, an individual, QIANJI JIAO, an individual, ZHONGHUA YI, an individual, PENGFEI ZHOU, an individual, XUAMEI ZHOU, an individual,**

***Plaintiffs,***

**vs.**

**NINGBO XU, an individual, and LCL COMPANY, LLC, a Texas Limited Liability Company,**

***Defendants,***

**and**

**DONGTAI INVESTMENT GROUP, LLC, a Texas Limited Liability Company,**

**Nominal Defendant.**

**Case No.: 4:19-CV-01848**

**Judge: Hon. Keith P. Ellison**

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**AMENDED AGREED MOTION FOR DISBURSEMENT OF FUNDS**

Ronald J. Sommers, Receiver in the above-styled case, files this Agreed Motion for Disbursement of Funds (the “Motion to Disburse”), and in support thereof shows the Court as follows:

1. On December 16, 2019, Dongtai Investment Group, LLC (hereinafter “**DIG**”) was placed into receivership and Michael Udayan was appointed Receiver. As a result of Michael Udayan’s death, Ronald J. Sommers was appointed Receiver on July 1, 2022.
2. The Receiver presently has \$1,662,799.70 in the receivership estate. Receiver’s First Interim Report summarizing the status of this case has been filed concurrently herewith.

3. The Receiver has previously paid \$31,897.76 to the following entities during the pendency of the Receivership, for which the Receiver seeks the Court's ratification:

PAYEE	AMOUNT
United States Treasury	\$129.00
United States Treasury	\$172.00
United States Treasury	\$301.00
United States Treasury	\$344.00
Proactive Legal Solutions	\$135.00
Proactive Legal Solutions	\$85.00
Fidelity National Financial, Inc.	\$285.32
United States Treasury	\$5,040.00
TPS-West, LLC (Accountant Fees)	\$25,406.44
<b>TOTAL</b>	<b>\$31,897.76</b>

4. There is sufficient money in the receivership to make interim disbursements through May 31, 2023, to counsel for Receiver, Nathan Sommers Jacobs ("NSJ"), and to TPS-West, LLC ("TW"),<sup>1</sup> accountants for Receiver, in the respective amounts of \$79,610.20 and \$6,1178.51.<sup>2</sup> Additionally, the Receiver requests a disbursement of \$49,734.94 for his fees and expenses. True and correct copies of the respective invoices are attached as **Exhibits 1, 2, and 3** respectively.

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<sup>1</sup> The Receiver has already made a distribution to TW of \$25,406.44 for its professional fees. The fees requested herein are for work following that distribution.

<sup>2</sup> As reflected on NSJ's invoice, it has proactively reviewed its bill to eliminate arguably non-essential or non-billable work, which has resulted in a more than \$7,500 reduction in its invoice.

5. On February 28, 2023, the Court entered its Order establishing claim objection procedures in this matter. (Dkt. 193). Pursuant to the Order, the Court required that any interested party file a written objection to any claim by March 30, 2023. (*Id.* at 2). The Order further required that any entity having a claim to which an objection had been lodged to file a response, if any, to the claim objection by April 29, 2023. (*Id.*).

6. As of this date, one claim objection, the Receiver's Objection to Claim No. 12 of Hewlett-Packard Financial Services, has been resolved by agreement of the parties for an allowed claim of \$9,000, subject to approval of the Court. Objections were filed to Claim No. 8 of United Air Services and Claim No. 9 of the Estate of Michael S. Udayan, to which the respective claimants did not file a response. The Receiver has filed a Notice and Request to Sustain the Objections to these claims, subject to approval of the Court. (Dkt. 215). Following the Court's sustaining of those objections, objections to two claims—Claim No. 6 of Peter Hui and Hospitality Unlimited Investments, Inc. and Claim No. 10 of Property Care Services, Inc.—will remain pending. The below chart summarizes the proofs of claim that have been filed in this case.

<b>Claim No.</b>	<b>Claimant</b>	<b>Original Claim Amt.</b>	<b>Agreed Claim Amount</b>	<b>Related Claim Objection filings</b>
1	Qianju Jiao	\$157,250.00	\$157,250.00	
2	Jiatong Yu	\$227,250.00	\$227,250.00	
3	Xuanmei Zhou	\$328,250.00	\$328,250.00	
4	Zhonghong Group USA Inc.	\$180,000.00	\$180,000.00	
5	Natura A-R	\$11,967.56	\$11,967.56	

<b>Claim No.</b>	<b>Claimant</b>	<b>Original Claim Amt.</b>	<b>Agreed Claim Amount</b>	<b>Related Claim Objection filings</b>
6	Peter Hui & Hospitality	\$122,302.87	Undetermined and disputed	Dkt. 199, 202, 210, 218
7	Sedgwick <sup>3</sup>	\$0.00	\$0.00	
8	United Air Services	\$22,680.00	\$0.00	Dkt. 196, 204
9	Estate of Michael S. Udayan	\$1,197,190.60	\$0.00	Dkt. 203, 205
10	Property Care Services LLC	\$153,823.00	Undetermined and disputed	Dkt. 201, 206, 211, 219, 220
11	Symmetry Energy Solutions, LLC	\$11,538.27	\$11,538.27	
12	Hewlett Packard Financial Services	\$17,629.11	\$9,000.00	Dkt. 197, 213, 217, 221
	<b>TOTAL</b>		<b>\$925,255.83</b>	

7. Sufficient funds exist to pay the unobjected and allowed Proofs of Claim (Claims No. 1, 2, 3, 4, 5, 11, and 12) in full. Payment of these seven claims in full (\$925,255.83) will still result in sufficient assets remaining in the receivership to pay Claim Nos. 6 and 10, even if the objections to these claims are ultimately denied in full.<sup>4</sup>

8. Should this Court grant that Motion as requested, DIG's receivership account shall be as follows:

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<sup>3</sup> Although Sedgwick filed Proof of Claim No. 7, it was for a \$0.00 amount and will not require issuance of payment.

<sup>4</sup> Claims No. 6 and 10 total \$276,125.87.

	<b>AMOUNT</b>
Receivership account balance	\$1,694,697.46
Expenses paid during course of Receivership by Receiver:	\$31,897.76
Receiver's counsel fees and expenses through May 31, 2023	\$79,610.20
TPS-West LLC accountants fees and expenses through May 31, 2023	\$6,178.51
Receiver's fees and expenses through May 31, 2023	\$49,734.94
Allowed Claims	\$925,255.83
<b>Remaining Balance</b>	<b>\$602,020.22</b>

9. The Receiver anticipates that the following work will remain following the payment of these claims: litigation, resolution and/or payment of the claim objections to Claim Nos. 6 and 10;<sup>5</sup> an assignment of the Judgment, Orders and any remaining claims that DIG has against Ningbo Xu and LCL Company, LLC to the remaining members of DIG; dissolution of the DIG entity; filing an income tax return for calendar year 2023; and distribution of any surplus to the members of DIG. Receiver believes that, even following the distributions identified in this Motion for Disbursement of Funds, the remaining assets should be sufficient to cover the costs of this work, including any final fee applications for the Receiver and his professionals.

### **Conclusion**

The Receiver respectfully requests that the Court ratify the payments made by the Receiver

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<sup>5</sup> On June 21, 2022, the Receiver mediated Claim No. 10 and reached a mediated resolution for an allowed claim of \$60,000. The Receiver has filed Agreed Order resolving that claim objection.

during the pendency of this receivership. The Receiver further requests the Court issue an order directing the Receiver to pay to NSJ an amount of \$79,610.20, TW an amount of \$6,178.51, and an order permitting the Receiver to pay to the Receiver his fees and expenses in the amount of \$49,734.94. The Receiver further requests that the Court issue an order directing the Receiver to pay allowed Claims No. 1, 2, 3, 4, 5, 11, and 12 in the full amount of the allowed claim for each and as directed by the Court, and for the Court to grant such further relief to which he is justly entitled.

### **CERTIFICATE OF CONFERENCE**

Undersigned counsel conferred with counsel for Plaintiffs, who are unopposed to the relief requested herein.

Respectfully Submitted,

**NATHAN SOMMERS JACOBS  
A PROFESSIONAL CORPORATION**

By: /s/ Iain L. C. Kennedy

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**ATTORNEYS FOR RONALD J. SOMMERS,  
RECEIVER**

**CERTIFICATE OF SERVICE**

The undersigned certifies that on June 22, 2023, a true and correct copy of the foregoing was served electronically on all parties registered to receive electronic notice of filings in this case via this Court's ECF notification system. The undersigned further certifies that the foregoing was served upon all parties listed below no later than the next day after the filing of the foregoing.

Qianju Jiao C/O Mosaic Paradigm Law Group Pc 10370 Richmond Ave., Suite 850 Houston, Texas 77042	Stephanie G. Udayan c/o Heidi A. Weelborg Weelborg Law, PLLC 2121 Sage Road, Suite 100
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/s/ Iain L.C. Kennedy

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